



REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	28 JULY 2016
REPORT OF THE:	FINANCE MANAGER (s151) PETER JOHNSON
TITLE OF REPORT:	UPDATE OF INTERNAL AUDIT CHARTER
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The report highlights changes made to the Council's internal audit charter

2.0 RECOMMENDATION(S)

- 2.1 It is recommended the Committee approve the changes to the Council's internal audit charter.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 In accordance with the responsibility of the committee to consider reports dealing with the management of the internal audit function, and for the Council to comply with proper practice for internal audit.

4.0 SIGNIFICANT RISKS

- 4.1 The council will not comply with the requirements of the Accounts and Audit Regulations 2015 if it does not have an audit charter.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The work of internal audit supports the council's overall aims and priorities by promoting probity, integrity and honesty and by helping support the council to become a more effective organisation.

6.0 REPORT DETAILS

- 6.1 The Accounts and Audit Regulations 2015 require the council to have an effective internal audit service that complies with public sector internal audit standards. Cipfa is responsible for setting those standards for councils.

- 6.2 Cipfa works jointly with other bodies responsible for internal audit standards in the UK public sector (such as HM Treasury and the Department of Health) to produce common standards - the Public Sector Internal Audit Standards (PSIAS). The PSIAS are based on standards set by the Global Institute of Internal Auditors (IIA).
- 6.3 In July 2015, Global IIA made changes to their standards including the addition of a Mission and Core Principles for the Professional Practice of Internal Auditing. To ensure the UK public sector standards continue to reflect the IIA standards, the Mission and Core Principles have been adopted in the PSIAS from April 2016.
- 6.4 To reflect the changes to the standards, a number of additions to the council's internal audit charter are required. The proposed new charter is included in appendix 1, with amendments shown as tracked changes.
- 6.5 A number of other minor changes are included in appendix 1. These reflect changes in wording in the Accounts and Audit Regulations and job titles.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
None
 - b) Legal
None
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None

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Background Papers:

Public Sector Internal Audit Standards
CIPFA Local Government Application Note (for the United Kingdom Public Sector Internal Audit Standards)